

THE CRISIS: LIBERTAS AND VERITAS

Eric Engle *

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I. THE CRISIS

The world today finds itself in a recession. The global recession was caused by unsustainable borrowing provoked by the self destructive and incoherent “war on terror” in concert with irresponsible bank lending—bad debt.¹ These policies have repercussions beyond the immediate recession: the problems facing the United States are deeper than a mere economic recession. A libertarian perspective allows us to elaborate solutions to

* Professor Engle, JD, DEA, LLM, currently teaches law at Pericles-ABLE, Moscow, Russian Federation. Dr. Engle previously worked as a research aid at Harvard Law School. The author can be reached at cengle@pericles.ru.

1. Mark LeVine, *A Financial House of Cards*, ALJAZEERA.NET, (May 23, 2009), available at <http://english.aljazeera.net/focus/outofwork/2009/02/200921712329491425.html> (last visited Oct. 17, 2010).

those problems. This article provides my view of the libertarian perspective on the direct consequences of irresponsible policies, the state, and the economy. It details the consequences of failed federal budgetary and foreign policies, and offers policies which would work both to improve the economy and ameliorate the political situation.

II. THE LIBERTARIAN PERSPECTIVE

A. *The Minimalist State*

The Romans rightly saw the State as Janus: two faced. The State is a natural outgrowth of the family² and possibly an inevitable³ fact of social life. However, the state is also a form of social coercion. Coercion and liberty are antithetical. Thus, libertarians, anarchists,⁴ and Marxists⁵ alike oppose state power, generally. The withering of the state,⁶ the transformation of the state into civil society,⁷ is a clear trend of late modernity and a goal common to Marxists, anarchists, and libertarians. To be libertarian (or anarchist, or Marxist) is to be internationalist⁸—to see the human family as all humanity, not merely one's own nation or race. However, even though coercive state power is being transformed into consensual social interaction (which often are market transactions) the fact is: states still exist. Thus, if only for pragmatic reasons, libertarians struggle for “minimal states”⁹ i.e. the “night watchman state”¹⁰ and

2. ARISTOTLE, *POLITICS*, 1252a 26; 1252b 15-16; 1252b 27 (Random House 1943) (1941) (discussing the idea that the City (Polis; state) develops from the extension of the family).

3. *Id.* at 1252b 26-30.

4. Bakunin, *Statism and Anarchy*, in BAKUNIN ON ANARCHY (1873), translated and edited by Sam Dolgoff, 1971, available at <http://www.marxists.org/reference/archive/bakunin/works/1873/statism-anarchy.htm>.

5. For example, Professor Duncan Kennedy self describes as an “anarcho Marxist.” See <http://www.DuncanKennedy.Net> (last visited Oct. 17, 2010).

6. Vladimir Lenin, *THE STATE AND REVOLUTION*, ch. 5, § 1 (1918), reprinted in 25 LENIN: COLLECTED WORKS 381, available at <http://www.marxists.org/archive/lenin/works/1917/staterev/ch05.htm> (last visited Oct. 17, 2010).

7. See, e.g., Esteve Morera, *Gramsci and Democracy in* JAMES MARTIN, ANTONIO GRAMSCI, 180-81 (2002).

8. See, e.g., Larry Gambone, *Pierre-Joseph Proudhon and Anarchism: Proudhon's Libertarian Thought and the Anarchist Movement*, 24 LIBERTARIAN HERITAGE 6 (2004), available at <http://www.libertarian.co.uk/lapubs/libhe/libhe024.htm> (last visited Oct. 17, 2010).

9. ROBERT NOZICK, *ANARCHY, STATE, AND UTOPIA* 25 (1974).

10. *Id.*

“markets without states”¹¹ as an intermediate step, a second-best attainable solution, to the problem of state power and its dissolution. Libertarians also seek to meet the Marxist critique¹² that corporations capture governments and that corporations and governments cooperate and coerce in practice.¹³ To oppose institutional capture, state coercion in the interests of private persons, libertarians advocate forming private economic actors which can oppose state power and which enable free and consensual economic interactions;¹⁴ Marxists, in contrast, seek to form collective forms of enterprise; Anarchists for their part seek to form cooperative and/or communal enterprises for production.

B. *The Rule of Law*

Libertarians support and struggle for the rule of law, not men¹⁵ for the same reasons libertarians oppose the state. The rule of law means that state power, when exercised, must be exercised transparently, foreseeably, lawfully, and fairly. One libertarian critique of state power is corruption. Power corrupts because those holding state power tend to use that state power in self-serving ways. Nepotism, bribery, perjury, and lies in the exercise of coercive state power are some of the reasons why libertarians, anarchists, and Marxists oppose state power. They seek to further the natural course of history, the transformation of coercive, hierarchical state power into consensual egalitarian freedom, the formation of a society in which people are free and equal and are not judged by race, sex, gender, or wealth, but only on the basis of their abilities; to create a world without war, starvation, illiteracy, or death from preventable and curable diseases.

11. Christian Joerges, *The Market without a State? States without Markets? Two Essays on the Law of the European Economy*, EUI Working Paper No. 96/2 (1996).

12. Gregory Palast, *A Marxist Threat to Cola Sales? Pepsi Demands a US Coup. Goodbye Allende. Hello Pinochet*, THE GUARDIAN, (Nov. 8, 1998), <http://www.guardian.co.uk/Archive/Article/0,4273,3846394,00.html> (last visited Oct. 17, 2010).

13. The example of Chile is considered canonical: Anaconda Copper and ITT played a role in convincing the Nixon Administration to overthrow the socialist government of Salvador Allende in a coup d'état. See, e.g., ANTHONY SAMPSON, *THE SOVEREIGN STATE OF ITT* (1974).

14. AGORISM, <http://www.agorism.info/> (last visited Oct. 17, 2010).

15. *Libertarianism*, ENCYCLOPEDIA BRITANNICA ONLINE (Oct. 13, 2009), <http://www.britannica.com/EBchecked/topic/339321/libertarianism/234236/Rule-of-law> (last visited Oct. 17, 2010).

C. War: An Abomination

Libertarians oppose war¹⁶ because war is an abomination, the ultimate asocial act, which destroys lives and property. Libertarians oppose war as the worst example of the coercive power of tyrants, of the collective over free individuals. War is not “the continuation of politics by other means.”¹⁷ War is the ultimate dysfunction, the inability to resolve conflict rationally. Wars may be easy to start but are always unpredictable and difficult to terminate. Further, most wars are badly planned and poorly executed. Finally, the burdens of war, death and impoverishment, fall heaviest on the poor. War is a waste of blood and treasure and is uneconomical. If you want peace, work for justice. If you want prosperity, oppose war, for war destroys wealth and produces only death and misery.

III. THE CONTEMPORARY SITUATION: POLITICAL ECONOMY

The United States faces a global recession resulting from irresponsible borrowing to fund a series of wars to pursue incoherent and failed policies. This, in combination with the collapse of the mortgage market, is the problem. Libertarian solutions to those problems would be effective and should be taken up by all progressives.

A. Borrowing to Waste on War

The United States has been at war nearly a decade now. The costs of this war have been financed by massive borrowing,¹⁸ as often as not from foreign investors.¹⁹ This borrowing represents a drain on capital markets. Since capital was wasted on unproductive weaponry it was unavailable for investment into productive uses.²⁰ The consequence was an economic downturn.

16. Randy Barnett, *Libertarians and the War: Ron Paul Doesn't Speak for All of Us*, WALL ST. J., July 17, 2007, available at <http://www.opinionjournal.com/editorial/feature.html?id=110010344> (last visited Oct. 17, 2010).

17. CARL VON CLAUSWITZ, *ON WAR* 87 (Michael Howard & Peter Paret eds. & trans., 1989) (1799).

18. Linda J. Bilmes & Joseph E. Stiglitz, *The Iraq War Will Cost Us \$3 Trillion, and Much More*, WASH. POST. (March 9, 2008), available at <http://www.washingtonpost.com/wp-dyn/content/article/2008/03/07/AR2008030702846.html> (last visited Oct. 17, 2010).

19. *Id.*

20. *Id.*

B. *The Borrowing Bubble Burst*

The economy crashed into the deepest recession since World War II²¹ due to irresponsible borrowing to finance wasteful wars, coupled with the collapse of the housing market. The collapse of the housing market bubble has implications which go far beyond the economy. The implications of the deepest economic downturn since 1929 are detailed below.

IV. CONSEQUENCES OF THE CRISES

The consequences of the combined problems of irresponsible borrowing to fund a failed series of wars based on a false metaphor of “war” against an elite network of intelligent, well-financed criminals are serious, but could be worse, and are solvable, particularly from a libertarian perspective. These consequences are outlined below; the solutions are described in the next section thereafter.

A. *Global Recession but no Global War*

As a result of the collapse in the housing market and the waste of global resources on war instead of investments into productive forces the world finds itself in a global recession; the worst economic downturn since the Great Depression. Major global depressions in the past have been followed by global wars. Because of that fact, in the wake of both world wars, a series of political and economic institutions were put into place to avoid another global war through the creation of political integration and economic prosperity to obviate war.²² The United Nations, the International Monetary Fund (IMF), the World Bank, General Agreement on Tariffs and Trade/World Trade Organization, and the rise of human rights defended through the United Nations covenant system²³—all

21. Caroline Graham, *U.S. Plunges into the Longest, Deepest Recession since World War II . . . and It's Going to Get Worse, Analyst Predict*, THE DAILY MAIL (Dec. 2, 2008), available at <http://www.dailymail.co.uk/news/worldnews/article-1091072/U-S-plunges-longest-deepest-recession-World-War-II--going-worse-analysts-predict.html#ixzz0TnFfVvKp> (last visited Oct. 17, 2010).

22. See Eugene Konotorovich, *The Arab League Boycott And WTO Accession: Can Foreign Policy Excuse Discriminatory Sanctions?*, 4 CHI. J. INT'L L. 283, 286 (2003). “[T]he free trade system was designed to promote not just prosperity but peaceful and amicable relations between Member States”

22. See Eugene Konotorovich, *The Arab League Boycott And WTO Accession: Can Foreign Policy Excuse Discriminatory Sanctions?*, 4 CHI. J. INT'L L. 283, 286 (2003). “[T]he free trade system was designed to promote not just prosperity but peaceful and amicable relations between Member States”

23. See Eric Engle, *The Transformation of the International Legal System: The Post-Westphalian Legal Order*, 23, 23 QUINNIPIAC L. REV. 23 (2004).

mechanisms intended to prevent another global economic collapse and world war—appear to have served their purpose. We are not in 1937, let alone 1941. A key challenge for the twenty-first century is to extend this peace from the first world to the third world.

B. The Decline of the Dollar, the End of Hegemony

1. The End of the Dollar as the Sole Global Reserve Currency

U.S. borrowing and instability have seriously undermined the dollar. The U.S. dollar has, until recently, been the sole global reserve currency, the de facto currency against which all other currencies are measured, and the medium of exchange for all international business. However, the rise of the Euro²⁴ has created a second global reserve currency with implications for U.S. foreign policy. The fact that the dollar was the sole global reserve currency:

Has given the United States the power to manage the global economy, establish the rules, dominate the IMF in which an 85% vote is required for action to be taken and with 17.5% of the votes the United States can effectively veto any action, and on that basis the United States dominates and practically owns the IMF.²⁵

U.S. financial power has been seriously eroded through irresponsible federal borrowing to finance the “war on terror” and the failure of the U.S. mortgage market.

2. The End of the Dollar Monopoly on Oil Contracts

International oil contracts are (or were) dollar denominated.²⁶ That too translated into real power. Because oil contracts are solely denominated in dollars, if the United States wants to reduce the price of oil it is able to do so anytime it wants by devaluing the dollar. From these facts one can infer that the United States went to war in Iraq for economic reasons:

24. Alan W. Cafruny, *A Ruined Fortress? Europe and American Economic Hegemony*, 19 CONN. J. INT’L L. 329, 329 (2004).

25. Larry Cata Backer, *Ideologies of Globalization and Sovereign Debt: Cuba and the IMF*, 24 PENN ST. INT’L L. REV. 497, 529 (2006).

26. Robert Fisk, *The Demise of the Dollar*, THE INDEPENDENT (Oct. 6, 2009), available at <http://www.independent.co.uk/news/business/news/the-demise-of-the-dollar-1798175.html> (last visited Oct. 17, 2010).

- 1) To maintain the monopoly of the dollar as reserve currency²⁷ particularly in international oil contracts;²⁸
- 2) To keep the price of oil low which it had been thanks to the Iran-Iraq wars;
- 3) To secure guaranteed access to Iraqi oil fields; and
- 4) To obtain military bases for operations against other oil regional oil producers.

Those policies, however, have largely failed to secure their objectives and have significantly eroded U.S. power.

3. The Decline of Foreign Investment

The logical consequences of the failure of the housing market are a decline in foreign investment into the United States, reduced demands for dollars, and a decline in the value of the dollar.²⁹ Thus, the housing market collapse exacerbated the problem of heavy foreign borrowing to fund the ill-conceived “war on terror.”

4. Multilateralism

As a consequence of its greatly weakened position globally the United States will find itself increasingly constrained to adopt multilateral policies. The era of unilateral global American hegemony³⁰ is over. Insofar that said hegemony was abused to start ill-conceived wars which ruined the economy

27. Philippa Winkler, *The War Against Iraq: Whose Ends, Whose Means*, 9 NEXUS 163, 167 (2004).

The deciding factor was when Saddam Hussein pegged the dinar to the dollar bloc's commercial rival, the euro. Something more drastic had to occur: a land grab, 21st century-style. However, it could not look like a land grab. Bombing Iraq to get rid of the imminent threat of Iraqi WMDs became the excuse du jour. When the WMDs couldn't be found, another excuse was offered: bombing Iraq into democracy.

28. Sophie Clavier, *Contrasting Perspectives on Preemptive Strike: The United States, France, and the War on Terror*, 58 ME. L. REV. 566, 582 (2006). “A few years ago Iraq started selling its oil in Euros instead of U.S. dollars, resulting in the rise of the Euro against the dollar.”

29. Randall Parker, *Foreign Investment in U.S. Declines with Dollar Decline*, PARAPUNDIT BLOG (Sept. 25, 2007), <http://www.parapundit.com/archives/004619.html> (last visited Oct. 17, 2010).

30. See, e.g., Daniel I. Fisher, “*Super Jumbo*” Problem: *Boeing, Airbus, and the Battle for the Geopolitical Future*, 35 VAND. J. TRANSNAT'L L. 865, 869 (2002). “In the post-World War II world, nearly all conflicts between European and U.S. foreign policy ideas have been resolved in favor of the United States.” *Id.*

and cost the United States the goodwill of even close historic allies;³¹ this is probably for the best.

V. RESPONSES

How can the United States successfully react to its greatly weakened position globally? Through a combination of economic and foreign policies which are consistent with libertarianism. These are outlined below.

A. Balance Budgets

One of the key causes of the erosion of U.S. power was budgetary irresponsibility: borrowing massive amounts to finance the failed “war on terror.” Libertarians want balanced budgets³² because fiscal responsibility is the basis of prosperity. Regarding budgetary policy, Adam Smith said, correctly: “What is prudence in the conduct of every private family can scarce be folly in that of a great kingdom.”³³ Budgets must be balanced to avoid inflation, for inflation distorts investment, leading to sub optimal capital allocation.³⁴ The United States has pursued a policy of budgetary borrowing from foreign investors for a decade: the chickens have finally come home to roost.³⁵ Foreign investors no longer see the United States as a secure and sound investment. How will the United States repay these debts? The United States will most likely repay the debts through inflation. The result, however, is that foreign capital will continue to flee, leaving the United States relatively impoverished for the next decade. Only price indexing and fiscal discipline can avoid the worst effects of inflation on capital markets.³⁶

31. Cafruny, *supra* note 24, at 329.

32. Bruce Bartlett, *The Next President's Budget Crisis*, N.Y. TIMES, (April 6, 2006), available at <http://Bartlett.blogs.nytimes.com/2006/04/06/the-next-presidents-budget-crisis/> (last visited Oct. 17, 2010).

33. ADAM SMITH, ON THE NATURE AND CAUSES OF THE WEALTH OF NATIONS 185 (1862).

34. MILTON FRIEDMAN, THE OPTIMUM QUANTITY OF MONEY 277 (1970).

35. See generally WARD CHURCHILL, ON THE JUSTICE OF ROOSTING CHICKENS: REFLECTIONS ON THE CONSEQUENCES OF U.S. IMPERIAL ARROGANCE AND CRIMINALITY (2003) (discussing an inflammatory view of U.S. foreign policy's irrationality and its consequences).

36. MILTON FRIEDMAN, MONETARIST ECONOMICS 35–36 (1991).

B. End Wars

Libertarians, Marxists, and anarchists alike oppose unjust wars.³⁷ Wars to seize oil and sell weapons are unjust. War is an abomination. War is not “the continuation of politics by other means”³⁸—it is political failure, the inability to properly calculate correlations of forces and to rationally resolve conflict. War is the ultimate social dysfunction. Wars are easy to start and impossible to finish,³⁹ they are unpredictable, desperate, violent, and agonistic. Libertarians and Marxists oppose unjust wars as the worst example of the coercive power of tyrants over free people. Most wars are badly planned and poorly executed; driven by emotion rather than reason. Cold calculation rarely figures in the start of a war and is soon lost during hostilities.

The burdens of war, death, and impoverishment, fall heaviest on the poorest and weakest. War is a waste of blood and treasure and utterly uneconomical. Peace and prosperity correlate, as do war and poverty. If you want peace, work for justice. If you want prosperity, oppose war, for war destroys wealth and produces only death and misery.

For an example of the irrationality of war and its corrosive character, one need only recall the idiotic racists chanting stupid slogans like “kick their ass and take their gas.”⁴⁰ Those with such foolish and immature views have been shown by hard experience that the wars they would unleash have led only to the impoverishment of the United States. The products of such ill considered irrational bloodlust have been: economic bankruptcy, expensive oil, and the loss of the goodwill of the entire world, even historic allies, to say nothing of the undecided. The United States has, in a very real sense, driven the Islamic world into the arms of terrorists.

Currently, the United States is at “war” with a non-state actor, the criminal network Al Qaeda.⁴¹ This metaphor has failed and created legal

37. Marc Joffe, *An Open Letter to Libertarians Who Support the War on Terror*, LEWROCKWELL.COM (June 20, 2006), <http://www.lewrockwell.com/orig7/joffe1.html> (last visited Oct. 17, 2010).

38. See VON CLAUSWITZ, *supra* note 17, at 87.

39. Lt. Col. Robert Soucy II, Maj. Kevin Shwedo & Maj. John Haven II, *War Termination and Joint Planning*, JOINT FORCES QUARTERLY, 95 (Summer 1995), available at http://www.dtic.mil/doctrine/jel/jfq_pubs/1808.pdf (last visited Oct. 17, 2010).

40. For a critique of that slogan see, Jacob Levich, *Kick Their Ass and Take Their Gas*, COUNTERPUNCH (May 13, 2003), available at <http://www.counterpunch.org/levich05132003.html> (last visited Sep. 24, 2010).

41. Erin Louise Palmer, Comment, *U.S. Hypocrisy in the Treatment of Non-State Actors in the War on Terror*, 27 SWORDS & PLOUGHSHARES, 11 (Fall 2007), available at <http://www1.sis.american.edu/students/sword/U.S.%20Hypocrisy%20in%20the%20Treatment.pdf> (last visited Sep. 24, 2010).

uncertainty which both legitimates the criminals as warriors and opens the possibility for abuse of the law both by the United States and by Al Qaeda: do the laws of war apply? In prosecuting this “war” the United States has relied on assassination,⁴² torture,⁴³ abduction (kidnapping),⁴⁴ extraditions to countries which torture,⁴⁵ and secret prisons.⁴⁶ All of those actions have driven the masses in the Islamic world into the arms of the terrorists. A correct foreign policy would characterize Al Qaeda as a criminal band; it would seek to isolate the criminal network from the Islamic masses. It would not seek to “democratize” at gunpoint or to impose western cultural values. It would seek to control international access, choke points, and borders. A coherent foreign policy would also seek to undermine Al Qaeda by relying primarily on development aid to the impoverished masses of the Islamic world. The United States has done none of those things. As a result, the U.S. economy has been run into a recession and the United States faces the prospect of war without end. Why U.S. foreign policy was so self destructive and incoherent is irrelevant. Recognizing that fact is highly relevant, as is developing and implementing rational coherent policies which would work to end the isolated actions of an intelligent well financed elite—actions which, initially, had nothing to do with either the masses in the Islamic world or even the Arab world, let alone the government of Saddam Hussein. Hussein, a secular socialist, had in fact opposed Al Qaeda and Osama bin Laden as ideological competitors and opponents of his vision of a secular prosperous greater Iraq. True, Hussein was wrong to have wanted to aggrandize Iraqi power at the expense of Iran and Kuwait. However, to have cast him in the camp of Bin Laden was simply

42. David Case, *The U.S. Military's Assassination Problem*, MOTHER JONES (March/April 2008), available at <http://www.motherjones.com/politics/2008/03/us-militarys-assassination-problem> (last visited Sep. 24, 2010); Julian Borger, *Israel Trains US Assassination Squads in Iraq*, THE GUARDIAN (Dec. 9, 2003), available at <http://www.guardian.co.uk/world/2003/dec/09/iraq.israel> (last visited Sep. 24, 2010).

43. Naomi Klein, *The US has Used Torture for Decades. All that's New is the Openness About it*, THE GUARDIAN (Dec. 10, 2005), available at <http://www.guardian.co.uk/world/2005/dec/10/usa.comment> (last visited Sep. 24, 2010).

44. Craig Whitlock, *Europeans Investigate CIA Role in Abductions: Suspects Possibly Taken to Nations that Torture*, WASH. POST, Mar. 13, 2005, at A01, available at <http://www.washingtonpost.com/wp-dyn/articles/A30275-2005Mar12.html> (last visited Sep. 24, 2010).

45. AMERICAN CIVIL LIBERTIES UNION, *Fact Sheet: Extraordinary Rendition* (Dec. 6, 2005), available at <http://www.aclu.org/safefree/extraordinaryrendition/22203res20051206.html> (last visited Sep. 24, 2010).

46. Dana Priest, *CIA Holds Terror Suspects in Secret Prisons*, WASH. POST (Nov. 2, 2005), available at <http://proquest.umi.com/pqdweb?index=1&did=920201871&SrchMode=2&sid=1&Fmt=3&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1285868280&clientId=17038> (last visited Sep. 30, 2010).

inaccurate, and resulted in another foreign policy failure at a time the United States could least afford it both literally and metaphorically.

C. Lower Taxes

Since libertarians oppose taxation as being a distortion of the market⁴⁷ and wasted on wars it is no surprise that libertarians want low taxes. Rather than relying on the invasive income tax, which forces people to divulge their private data to the government we want sales taxes (value added taxes) to be used. The benefit of reorienting the tax system to excise, sales, and value added taxes, and away from income taxes, is that it captures the entire black market economy into the tax system. Illegal immigrants may not pay income taxes but necessarily pay sales taxes. Libertarians also want free labor markets wherein the natural law of supply and demand moves impoverished third world workers to the first world resulting in a natural global wage equilibrium. Consequently, those who complain that illegal immigrants do not contribute will be silenced. In reality, immigrant labor is one of the great remaining strengths of the United States and a reflection of its universal message of freedom for all people on earth. The appeal of this message to those who might envy the wealth and hate the coercive power of the United States should not be lost on those who wish to save the republic. The power of those laborers as a base from which to say to former U.S. creditors, “yes, you can cut off your credits, deny us your goods. We will survive” cannot be ignored. The United States grew from 200 million people in 1980 to over 300 million in 2000, largely thanks to immigrants. If the United States were to cut-off from all foreign resources, labor, markets, and goods; it would survive due to its productive immigrant base. The United States offers any honest person, regardless of their race, the opportunity to have a good life. And you think that this appeal will not make the enemies of the United States think twice?

Sales taxes (specifically, value added taxes)⁴⁸ must be introduced and income taxes eliminated to undergird the claim that immigrants contribute to the fiscal system. But, suppressing the hateful and odious federal income tax will not occur overnight. Libertarians also want to suppress double taxation. Taxing revenue of corporations, distributions of dividends, and income to individuals results in economic distortions by hindering capital

47. Larry Kudlow, *Why not Eliminate the Capital Gains Tax for Everyone?*, NAT'L. REV. (Oct. 1, 2009), available at <http://www.freerepublic.com/focus/news/2352443/posts?page=8> (last visited Sep. 24, 2010).

48. For an explanation see, Taxation and Customs Union, *How VAT Works*, EUROPEAN COMMISSION (last updated Apr. 30, 2010, 12:08:54), http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/index_en.htm (last visited Sep. 24, 2010).

accumulation. We do not wish to suppress the taxation of the rich so much as to starve the war machine and to build the great engine of prosperity; capital goods.

D. Administer Welfare by Charities and the States

The federal government uses most tax revenues for war. The coercive nature of taxation and its use for further coercion explains why libertarians are entirely correct to oppose taxation.⁴⁹ Tax revenues are abused by self-serving politicians and wasted in murderous wars for profit,⁵⁰ poisoning the entire economy, and justifying Marxist critiques. Those who would save the free market from tyranny should oppose federal taxation. Welfare programs are best administered by private charities, through tax incentives for donative works, and by the several states. State taxes are less likely to go to fund the war machine but, leaving aside the waste, fraud, and abuse in federal taxation we need only look at where all that money goes to see why we are correct to oppose taxation, particularly federal taxation. The situation is only slightly better at the state level where taxes are used to fund: police, more police, prisons, and more prisons.⁵¹ Those are not institutions of freedom. They are institutions of tyranny.

E. Build Consensus and Coalition

One contemporary trend which libertarians should not miss is very favorable to libertarianism. A “left-right” split had characterized politics in the twentieth century. However, out of the conflict between collectivist and individualist perspectives in fields such as family relations, fiscal policy, foreign policy, etc., a consensus emerged; fiscal conservatism coupled with social liberalism.⁵² Balanced budgets and low taxes, yet also, respect, and ultimately accommodation of different races, sexes, genders, and other classes,⁵³ are popular and consistent with libertarianism. Libertarians could, and should, form a third party and contest local and state elections to build an organization, which can then move on to national politics.

49. *Libertarian Party Platform*, LIBERTARIAN PARTY (May 2008), <http://beta.lp.org/files/platform-2010.pdf> (last visited Sep. 30, 2010).

50. *Where Your Income Tax Money Really Goes*, WARRESISTERSLEAGUE.ORG (2009), <http://www.warresisters.org/pages/piechart.htm> (last visited Sep. 24, 2010).

51. *Prisons Winning Budget Battles, Study Says*, L.A. TIMES (Feb. 25, 1997), http://articles.latimes.com/1997-02-25/news/mn-32203_1_prison-population (last visited Sep. 24, 2010).

52. ROBERT VON RIMSCHA, *DIE BUSHS: WELTMACHT ALS FAMILIENERBE* 245 (2004).

53. Christine Stewart, *Towards a Climate of Tolerance and Respect: Legislating for HIV/AIDS and Human Rights in Papua, New Guinea*, 8 J. S. PACIFIC L. (2004), available at <http://www.paclii.org/journals/IJSP/vol08no1/2.shtml> (last visited September 24, 2010).

VI. CONCLUSION

The United States has waged an incoherent and self-destructive series of wars throughout Southwest Asia and in the Horn of Africa. The result has been the impoverishment of the United States, needless death, and lost productive potential. Those costs incurred obtained only the mass support of the Islamic world for those who oppose the United States. Libertarians oppose war generally, and the “war on terror” specifically.⁵⁴ The “war on terror” is a failed metaphor⁵⁵ which created legal uncertainty, illegality,⁵⁶ and legitimated criminal murderers, driving the masses of the Arab, and then Islamic, world into the arms of terrorists. The United States can and should abandon the failed rhetoric of “war” and treat terrorists as criminals, not warriors. The United States must adopt rational coherent policies designed to control access points, including financial access points, and seek to isolate the criminal murderers from the masses. The United States should not seek to impose democracy and western values.⁵⁷ Rather, it should seek to expose its values through open borders, open immigration,⁵⁸ open internet and media, and allow the powerfully attractive ideology of freedom and prosperity for all who would work to capture the imagination of the world again. We have seen the ideals of freedom and justice betrayed during the last decade whether due to zeal or incompetence. The United States is now compelled to multilateral policies. The question is whether the United States can manage its remaining resources rationally by implementing a coherent foreign policy with respect to Southwest Asia, by restructuring its taxation system to meet its fiscal obligations, and by keeping its borders open so that the universal ideology of freedom for all and equality under the law can generate spontaneous allies where the United States now faces adversaries. Many, likely most, of those adversaries were created by the failed and arrogant foreign policies of torture, kidnapping, assassination, extradition, and secret prisons under the banner of an unsustainable unilateralism in pursuit of an unsustainable energy policy. Structural changes in the global capital and oil markets

54. LIBERTARIAN PARTY, *supra* note 49.

55. Andrew Sullivan, *The Domino Point*, THE ATLANTIC (Apr. 13, 2006), http://andrewsullivan.theatlantic.com/the_daily_dish/2006/04/the_domino_poin.html (last visited Sep. 24, 2010).

56. JORDAN PAUST, BEYOND THE LAW: THE BUSH ADMINISTRATION’S UNLAWFUL RESPONSES IN THE “WAR” ON TERROR 14–15 (2007).

57. Alexander M. Haig, Jr., *The Question of Humanitarian Intervention*, FOREIGN POL’Y. RES. INST. WIRE (Vol. 9, No. 2, Feb. 2001), available at <http://www.fpri.org/fpriwire/0902.200102.haig.humanitarianintervention.html> (last visited Sep. 24, 2010).

58. LIBERTARIAN PARTY, *supra* note 49.

indicate that the United States can no longer act unilaterally and so, hopefully, will cease making more enemies. Can the United States muster the courage and competence to implement rational coherent policies? Only if it listens to those outside the system of power: voices such as libertarians, anarchists, and Marxists—voices of real change.